

CO-OPERATIVE REVIEW

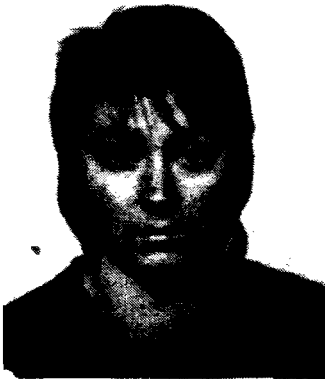
Education and Training Unit

Welcome to the third edition of the Co-operative Review. This and future Reviews will be compiled by the Co-operative Education and Training Unit. We welcome any articles from co-operative members and/or interested readers.

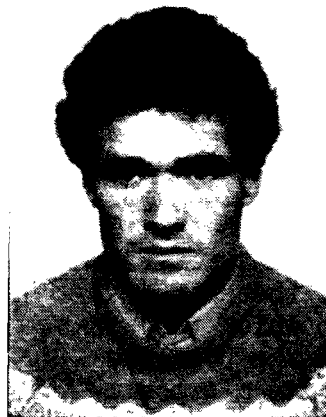
The Co-operative Education and Training Unit is now in operation. The Unit is situated at the Vocational Orientation Centre (V.O.C.), 42 Cardigan Street, Carlton, on 347 7611 ext. 256/7 and will be staffed between 9 a.m. and 5 p.m. Monday to Thursday.

The Unit grew out of recommendations* from the Pilot Project run by the V.O.C. last year and has been funded by the Ministry of Employment and Training under its Co-operative Development Program. The Unit aims to provide Co-operative members with:

- The Co-operative Education and Training Unit will be involved in organizing and conducting a co-operatives conference. We will be seeking guidance from co-operative members regarding the content, location and program for the conference.
- The Unit also looks forward to developing new co-operative resources and acquiring relevant information for distribution to co-operative members. If you have any ideas on resources which could be developed, contact us and we will see what we can do.
- general workshops on marketing, taxation, decision-making, etc.
- specific advanced business skills workshops
- theme-based workshops such as co-operatives and the law, co-operatives and trade unions



Wendy Smith



Tony Ayers



Karina Veal

- a consultancy service to assist co-operative members in determining their specific training needs and in devising their education and training plans.
- appropriate training, designed in response to stated needs, e.g.:
- special focused workshops for topics such as catering, printing, platemaking

The staff of the Co-operative Education and Training Unit are Karina Veal, Tony Ayers and Wendy Smith.

The V.O.C. was originally funded for two positions on 4 days per week each. With the closure of the New Opportunities for Work Scheme, Wendy was deployed to the Co-operative Education and Training Unit until April 1983.

At the time of going to press, we have been together as a Unit for exactly one day and are very keen to begin establishing our program as soon as possible. Please phone us, arrange a time for meeting and give us all an opportunity to become acquainted.

Wendy Smith commenced work with the Co-operative Education and Training Unit at the end of May. Wendy was seconded from the Ministry of Employment and Training as an additional worker.

She has worked in the areas of youth work, community-based newspapers, co-ordination of job creation, unemployment and employment training programs at both local and regional levels. Wendy has also worked in the area of in-service training. Last year she serviced the Victorian T.A.F.E. Transition Education staff by assisting them to determine their training needs and providing the appropriate education and in-service training to cater to these needs.

Wendy's main role in the Co-operative Education and Training Unit is to establish the Unit's operations, assist with the provision of training, education and resource development for co-operative members and to design and implement the monitoring and evaluation of the Co-operative Education and Training Unit project.

Tony Ayers began work on the 21st June as an Education and Training Officer. Over the last few years his work experience has mainly been in the areas of building, furniture construction and printing (letterpress). He is, at this early stage, particularly interested in the various attitudes of the co-operatives to the terms within which they must necessarily function and the possible difficulties arising within a group seeking to establish economic viability while in some way attempting to get beyond a conventional small business structure.

Karina Veal joined the Education and Training Unit on June 15th. Her prior knowledge of co-operatives comes from an interest in labour history and some knowledge of a few Melbourne Co-operatives.

Whilst a student of urban sociology at Swinburne College, Karina was elected as Women's Officer of the Australian Union of Students, a full-time position, for 1979. In 1980 she worked at Monash University organizing a student and community festival and then at Friends of the Earth before speeding off to Europe for a year of travel, from which she has recently returned. Karina's major role in the Unit is in the establishment of training needs for co-operatives and the organizing of workshops, seminars and consultancies to meet those needs.

* refer to June Review p. 12

Monitoring

- by David Griffiths

Monitoring is critical to the development and survival of the Co-operative Development Program. The monitoring of the 19 funded groups under the Program is co-ordinated by a CDP Unit within the Ministry of Employment and Training. The Unit comprises a Co-ordinator, an Assistant Co-ordinator and two others.

The monitoring responsibility is essentially threefold to ensure that:

- * the objectives of the Program are being met;
- * the funding conditions are being fulfilled; and,
- * the groups are moving towards economic viability.

Groups who enter the Program do so on the basis of the existing objectives and funding conditions and are expected to comply with the objectives and conditions. Critical to these conditions is a group's application form and business plan or feasibility study proposal. for example - the projected income of a group over 12 months is the crude yardstick for determining business efficiency and viability.

Talk it Out

It is only on the basis of these objectives and conditions that it is possible to measure the performance of the Program, the progress of the individual groups and ensure that the public monies granted to the groups are used for stated purposes (for the objectives of the Program under the funding conditions) and are cost effective.

The overriding objective of the Program is the establishment of viable co-operative business enterprises - enterprises that are both co-operatives and businesses. Co-operatives need to be seen as providing an alternative model for business enterprises - community and/or worker based and socially responsible.

The funding conditions of the Program serve mutually compatible purposes - accountability to the Ministry and sound business principles and practice. The monthly balance sheets, profit and loss and cash flow statements, for example, are the basis for an effective business and are not simply for the benefit of the Ministry.

Given these monitoring needs, it is important to comment on the role of the monitor.

Each group funded under the Program has an assigned monitor - an officer from the Ministry. While every effort is made to ensure the same monitors monitor the same groups, this is not always possible to maintain and from time to time changes may be necessary.

In dealing with monitors it is important for groups to ask questions, seek clarifications and clearly state group assumptions and expectations.

Monitors may not, however, be in a position to provide necessary answers and clarifications and will have to refer such matters to the Ministry.

Monitors have an important liaison role between the Ministry and groups. Monitors are, however, officers of the Ministry and cannot become personally involved in the operations of a co-operative. Personal involvement could result in a loss of objectivity, confuse groups about the role of monitors and compromise monitors, the Program and the Ministry.

A column for debate. A column for discussing questions that are raised by co-operatives. If you want to air an idea that arises through your co-operative or is a particular fancy of yours - this is the place for you. Or maybe you want to further debate or argue against issues raised in this or previous Co-operative Reviews? This column does not necessarily reflect the policies of the Unit or of the co-operatives - it is entirely open to individual writers.

The first article is by Paul Martin, and expresses his views on co-operative/trade union relations.

OUR RELATIONSHIP WITH/TO THE TRADE UNION MOVEMENT

- by Paul Martin

If we were to have any real and worthwhile relationship with the Trade Union Movement, we need to understand our organisational basis and aims, which means coming to terms with our hidden and unstated aims as well.

Foremost, our aim is egalitarianism. This is the underlying, but usually unstated, assumption of work co-operatives.

Egalitarianism on the surface is called democracy or self-management. These are practical facets or, if you like, "symptoms" of egalitarianism.

Nonetheless, it all revolves around the belief that everyone's opinion and vote is equally important and worthwhile. If you believe co-operative self-management to be worthwhile, then you are opposed to class-based society, and this is a very political stance. It means you are opposed to a society broken into strata where one group can make decisions and expect another group to carry them out. All the co-ops I have seen are opposed to this sort of situation.

A further aim of ours is to emphasise, appreciate and restore skill in work, and as a consequence of this we support the reinforcement of satisfaction in and through work.

Given the current direction of "micro-processor-robot" oriented society, this stance of supporting skill is often seen as anti-progress. That this is seen as anti-progress is a reflection of current social values that are based upon class-dominated attitudes.

De-skilling and the minimisation of labour in production is the ambition of the owners and managers of traditional businesses and corporations. If you are opposed to the further disappearance of jobs, the reduction of skill in the remainder and the unbridled growth of robotism, then you are once again assuming a highly political stance.

Both our aims are closely allied to the basic historical aims of the labour movement. This is not to say that these aims are immediately apparent in every trade union. Many trade unions have become locked into the basic capitalist ethos of "We are all right Jack, bugger you." That they have grown to be so is not surprising. These trade unions have a confused set of values and have come to see success in capitalist terms. This is no defence of these unions, and this type of problem of low horizons is a problem that faces the co-operative movement now, in the predominant race for funds above all else. Decay in ambitions, or failure to recognise ambitions, is always a problem for any social, political or economic group.

Despite all this, the mere fact that trade unions link together in common-aim organisations such as Trades and Labour Councils or ACTU's is an indication of the residual nature of these beliefs, as is the case in a co-operative association of workers.

We support egalitarianism and skill development in work. This much we have to offer the labour movement philosophically, but in practical terms we can offer them several other things as well. We can offer them unionisation in an area that has been traditionally low in unionisation: the area of small business. We can offer them resource skills and services such as printing and graphics, restaurants and recycling, even crafts and tree-planting. More significantly, we can offer them models for development of industrial democracy. This is an interest that is growing, even in the more conservative unions. The argument about developing participation and control of work and workplaces by workers

is an argument in which we should be taking a substantially greater role. We have a number of different experiences that need to be more widely analysed, communicated and publicised. If we were to offer our experience to more highly conscious elements in the union movement I am sure that they would be taken up with great interest. Trade unions are the place to be talking about such things; the transnational corporations are not likely to be too pleased to hear about such things. This further indicates the political nature of our co-operative movement. We must realise that the survival of a co-operative movement in a capitalist society is a vitally important political act, and we would be most foolish not to realise on which side that political bread is buttered.

You might well ask, what the hell does the labour movement have to offer us? Apart from moral support, the value of which should not be overlooked, they can offer us the political clout that comes from a membership of a broadly-based industrial umbrella organisation. There is also the potential economic support of the labour movement as consumers. This sort of support is potentially enormous. Maybe we should consider giving unions or groups of unions access to any internal trading situation that we develop. This deserves consideration. I will not say that we have no arguments with the trade union movement; they are all too solidly locked into sexual and skill chauvinism which, hopefully, we oppose wholeheartedly. These are deep seated problems that are all too readily shrugged off by some unions and unionists. Even though I hope we take great issue with the labour movement on these crucial problems, we are more likely to have success in doing so from inside the union movement, rather than from the outside.

Frictions

- anthology and fiction by women
published by Sybylla Co-operative
press and publications.

On Friday June 4th Sybylla Co-operative Press and Publications Ltd launched their first major venture, Frictions. Frictions marks the expansion into publishing by Sybylla, a women's co-operative press of six year's operation.

96 Years Later, Still Going Strong

- information taken from the British
Co-operative Development Agency.

The launching of this anthology of fiction by Australian women, edited by Anna Gibbs and Alison Tilson was part of the recent Women and Labour Conference in Adelaide. The crowd of between 300-500 women in attendance were addressed by Rosemary Wighton, women's advisor to the South Australian Premier who officially launched the book. They also heard short talks by co-editor, Anna Gibbs and Sybylla Press' Sue Funder.

But what of the book itself?

"The kind of writing one has always hoped for from Australian women" says Helen Garner.

Frictions breaks away from previous collections of this kind in its positive and lively presentation of women's experience of life in Australia. The extremely varied content of the pieces reflects the different cultural backgrounds and experiences of the contributors, and should appeal to an equally wide range of readers. Not all the pieces use a traditional narrative form, and the anthology is especially interesting in the liberties it takes with language and form.

Frictions brings together different kinds of fiction: stories, monologues, jokes, word-chases, high flyings, deep divings. In them, women speak from a rich diversity of positions, allowing themselves to be passionate, sad, sardonic, angry, witty and erotic. The orthodoxy of the victim position is challenged time and time again... An exciting collection of prose from writers both well known and previously unpublished...an important venture in feminist publishing...a new adventure in writing and reading. - Susan Sheridan.

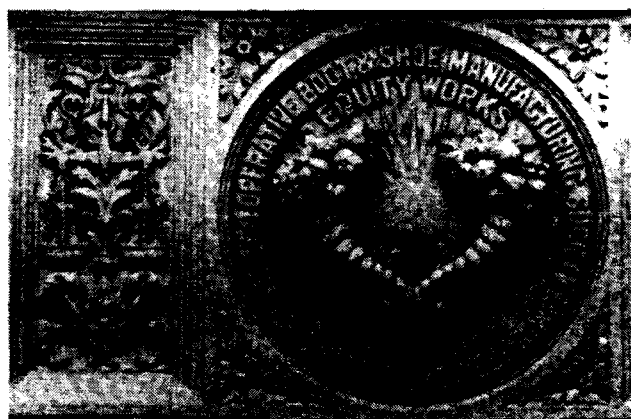
For copies, ring Sybylla on (03) 387 3731 or write to Sybylla Co-operative Press and Publications Ltd, P.O. Box 62, Clifton Hill, 3068.



Whilst most of the original worker co-operatives that were established in late 19th Century Britain have since closed, some have survived to flourish. W.W. Rawlinson, in his article "Co-operation in Industry" (June Co-operative Review) made mention of three such co-operatives, and following on from that we have some more information about Equity Shoes.

Equity Shoes, of Leicester, will celebrate 100 years of operating in 1986.

Equity Shoes began its colourful history as a co-operative after the workers were involved in a dispute with their employers - ironically the Co-operative Wholesale Society. They started in tiny premises in Bede Street, Leicester and made a profit of 1s 8½d in the first six months. After differences were patched up, the consumer Co-operative Societies became the best customers of the independent group and close links have been retained to the present day.



This plaque shows the original title of Equity Shoes when the building was erected

Equity Shoes, of Western Road, Leicester, has 210 employees and produces about 6,000 pairs of women's shoes each week. The co-operative did not begin exporting seriously until 1970, but has now found markets in Scandinavia.

Moreover, Mr Sidney Pepper, president and secretary, is confident that with expansion of the premises now going ahead, Equity Shoes can increase its market share both at home and abroad.

In 1980 Equity Shoes had a trading surplus of £332,691 and distributed £91,000 in bonus payment to employees.

Except for school-leavers all the workers are members. They are also members of trades unions - either the National Union of Footwear and Leather and Allied Trades or the Union of Shop Distributive and Allied Workers.

The co-operative is managed by a committee of eight members who are elected for two year terms and industrial peace has been maintained throughout its strike free history. Day to day management power rests with Mr Sidney Pepper, President and Mr Fred Dean, Manager. Continuity and co-operative loyalty can in part be measured by the fact that both Mr Dean and Mr Pepper joined Equity Shoes as workers in 1935, at the age of 14.

Up and Running

- Review of the video, by Rhonda Small

The video "Up and Running" was made by Open Channel with funds provided by the Ministry of Employment and Training, the Co-operative Federation of Victoria and the Vocational Orientation Centre. It focuses on the Bootstrap Trading Co-operative, which was established in November 1978 by a group of Maryborough residents to help create employment opportunities in the local area. Since its beginnings, Bootstrap has employed two people on full-time award wages producing a wide range of chamois leather items and hopes to be able to employ more workers in the future.

The video traces the development of the co-operative from the early planning stages, where community suggestions for different types of activities were considered, through the initial establishment of the co-operative and its development over the next three years. Thus, the work involved in setting up and maintaining an employment co-operative is described and the problems encountered

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in that process are discussed by the people involved.

The video raises a number of issues for discussion: Can employment co-operatives avoid a split between management and workers? How can problems of lack of funds be overcome? What are the implications of co-operatives being set up by concerned people for the unemployed? etc.

"Up and Running" can be borrowed from the Vocational Orientation Centre, 42 Cardigan Street, Carlton (347 7611 ext. 256/7), or purchased from Open Channel (419 5111).

Co-operatives at Work

- Review of proceedings of the pilot programme by Jeannette Fenelon

The publication Co-operatives At Work is now available through the Vocational Orientation Centre. It is a record of the proceedings of the Pilot Project in Education and Training for Victoria's Community Employment Co-operatives. It was never the intention of those who produced 'Co-operatives At Work' to limit it to that recording function. The more important aim was to take up and explore some of the fundamental issues voiced by participants during the five day Pilot Project and in follow-up contact with them.

Decisions about what to include or exclude; the logistics of gathering/editing information and opinions from participants means that publication deadlines had to be very flexible! Now that it's finished I think that the issues raised will be useful discussion starters for both people involved in co-operatives and those thinking of setting one up. Some of the more challenging questions posed at the Conference are extended in 'Co-operatives At Work'

Issues such as:

- * Directorial Boards; the relationship between the occupation of Directors and the degree of involvement in their Co-operatives.

* Organisational Structure; is there a structure which optimises full participatory democracy within co-operatives?

* Definition of a Co-operative; characteristics which distinguish "co-operatively" run small businesses from other traditional small businesses and characteristics they have in common.

For me, time spent on 'Co-operatives At Work' was the finishing touches of my involvement with the Pilot Project. It certainly was a hectic and interesting time and though I'm unable to work more directly with co-operatives this year, my interest in fostering the spirit and practice of co-operating has been strengthened by contact with those people I met whilst co-ordinating the Pilot Project. Though we, naturally, tended to discuss the problems besetting the establishment and maintenance at employment co-operatives, my overall impression was one of optimism for the future - inspired by the enthusiasm of people involved.

Marketing

- explained by Rhett Walker, market consultant.

Essentially it's a way of life, rather than a desire to build an empire, which motivates men and women to go into business for themselves. Most independent business entrepreneurs start into business because of some particular knowledge of, or leaning towards a given enterprise or activity. Few such individuals, however, can claim to have a total grasp of all specialist business skills, which today are more and more necessary. This is nothing to be ashamed of or hide from, but it is vital to recognize these shortfalls, and do something about them.

Almost 70% of all new independent small businesses in Australia continue to fail within their first year of operation, and approximately 60% go under within the first three (3) years. The reasons are diverse, but the over-riding cause of failure may be summed up as being "insufficient homework". This does not

necessarily mean that 70% of all small businesses are totally inept; it is probably truer that you're frequently required to spread your attention over so many areas that you're just unable to perform adequately all the management tasks that are necessary to operate a business successfully. Notwithstanding, economic forecasters suggest that opportunities for small business owners are today no less than they were yesterday, and the key to potential success remains the same: The careful application of proven principles of business practice - which includes the Art of Marketing.

Marketing can be essentially defined as: "Calculated homework and planning which motivates sales and growth". Without marketing you're not in control; you're at the total mercy of your customers.... their attitudes and whims.

Today we live in a world where, generally speaking, supply exceeds demand in just about all areas of activity, and the success rate of a business engaged in supply or production is largely controlled by demand. In order to achieve success in your business, it is essential that you find out first how to get through to people, then allocate your resources accordingly. This principle can and should be applied in your business, in the same way that the basic principles of business practice and selling apply. Only the relative scale differs from business to business. In this context, what are the questions that need to be answered?

* WHO are your customers?

* WHAT are their NEEDS?

* What BENEFITS do they seek?

* HOW will you satisfy them?

* What is the nature and characteristics of your MARKETING ENVIRONMENT?

I suggest to you that no one really wants to buy anything. They seek to acquire benefits, because the idea of a product or service appeals to them, or because they think it will do them some good, or bring them pleasure.

Marketing is the Art by which we take an idea, or product or service and tap into those needs; thereby locking into our customers. Selling falls into place relatively easily, once the marketing homework has been done. page 7

The essence of marketing strategy is positioning, i.e., determining and filling those potential "gaps" in the market-place.

- (i) in such a manner as to successfully generate in the customer's mind the belief that your product or service is a competitively appealing alternative to whatever else is available,
- (ii) in a manner that ensures that the benefits of your product or service can be readily appreciated against competitive products or services.

What makes you special to your customers? If you don't invest time and effort in this type of analysis and planning to find out, the risk is that at some point you will find your customers beginning to fall away, for a variety of reasons. Your growth rate will flatten out, and eventually go into a decline and you won't know why, and more important, you won't know what to do about it:

Marketing: eliminates the chance and gamble

eliminates the scatter-gun approach

eliminates the bull-at-the-gate approach.

Marketing motivates and ensures sales!

Directors' Duties and Responsibilities

- taken from N.S.W. Worklink
February 1982

The board of directors is the elected representative of the membership. Authority for determining general policy and checking on performance is delegated to it by members, generally in accordance with provisions of State legislation. As a rule, this authority involves formulating general business policies, selecting managerial personnel, delegating operational authority and evaluating results. It should be emphasized that directors can act

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legally only as board members; no director can act as an individual unless authorized to do so by the board. Board members should also avoid seeking or accepting special favours or taking over the manager's function by giving directions to employees.

Often one of the pronounced weaknesses in co-operative management results from a lack of members' attention to the selection of directors. The qualifications for such selection generally are the same as those of any other successful business. They may be determined by use of the following questions:

- * What are the prospective directors' business backgrounds? Do they manage their own affairs well? Do they possess sound business judgment?
 - * Are they willing to work at the job of being a director or are they more apt to be inactive? Have they shown a capacity for working with others or are they "individualists"?
 - * Are they regarded as leaders? Do they enjoy others' confidence for honesty and integrity? What capacity have they shown as leaders?
 - * Do they possess a high degree of loyalty to the co-operative and to co-operative principles? At the same time, do they properly understand the limitations as well as the possibilities of what can be accomplished through co-operative effort?
 - * Is it clear that they will help their fellow members to obtain a complete understanding of the co-operative and its various activities and problems? Will they conscientiously make information available to members?
- Directors generally have a twofold responsibility. One relates to the business operations of the co-operative and among other things, includes such duties as:
- * Developing basic objectives and establishing guidelines to control the business activities of the co-operative
 - * Appointing, supervising, and removing managerial staff; determining their pay; and describing their responsibilities.
 - * Setting up necessary committees to explore operational problems.

- * Calling special meetings whenever necessary or upon the request of members, as provided by the Rules.
- * Approving such general business arrangements as entering into contracts with distributors or suppliers.
- * Selecting the bank in which to make deposits, and designating the people who may sign co-operative cheques.
- * Borrowing funds for any legal and approved purpose.
- * Insisting that an adequate book-keeping system be maintained, that regular financial reports and audits be made and that a complete record of board meetings be kept.

The business responsibilities of the board of directors are further emphasized by the following statement:

"It is essential that a board understand the key elements that add up to the success of the enterprise and be closely acquainted with the current and forecast progress of the business in respect to each of these elements. Board members should be familiar with the co-operative's purpose, its history, the market in which it is entered and the share of this market it enjoys, the strength of competition, the degree of obsolescence of physical assets, the sales volume of each product or service, the current value of financial assets, and the long-term objectives of the business. The board should also have an opportunity to review periodically the co-operative's earnings, the soundness of its organisation, and the ability of the employees to meet current and future challenges."

Directors also have responsibilities to members. These have been identified as the following:

- * Serving to the best of one's ability and capacity
- * Representing members' interests on an impartial basis
- * Selecting a capable manager
- * Adopting policies and procedures along sound business lines, based on study and analysis of available facts and compatible with the co-operative's objectives

- * Using adequate checks to make certain that the manager is conforming to the board policies adopted by the co-operative and its board of directors.
- * Studying operating results in order to determine whether policies should be continued, changed, or dropped.
- * Taking active and energetic steps to keep the membership fully informed as to co-operative activities and problems.
- * Providing high-quality, reliable service and making members' interests of first importance regardless of any other interests they may have.

To these might be added, developing long-range plans to meet members' needs.

Manager's Duties and Responsibilities

We have said that the duties and responsibilities of the manager and the key staff centre upon the execution of the policies established by the board of directors. They are responsible to the board of directors for the co-operative's performance, which involves all aspects of day to day operations.

The manager has responsibility for planning, directing, and controlling the use of personnel, capital, facilities, and equipment. Managers are also responsible for the commodities or materials handled and the services provided. In addition, they must establish guidelines for the organization and co-ordination of general business operations.

The managers must never forget that, as hired employees of the co-operative, they are responsible to members for running their business and serving them effectively.



Next Co-ops Meetings

ON JULY 4TH, 1982, 10.30AM

AT OPEN CHANNEL
13-43 VICTORIA STREET
FITZROY (03) 419 5111

FOR

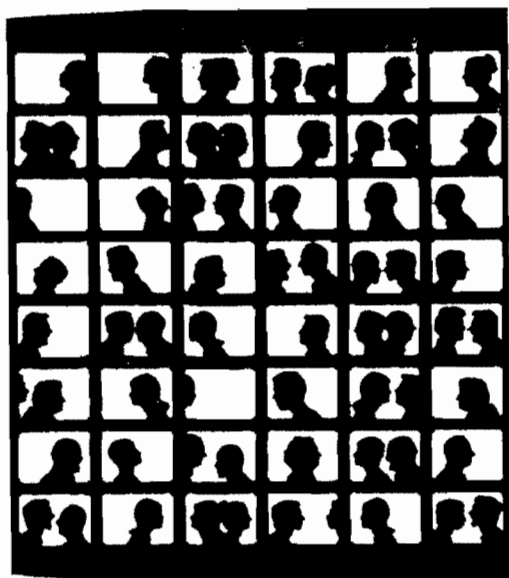
ALL CO-OPERATIVE MEMBERS, WORKERS
AND DIRECTORS OF THE CO-OPERATIVE
DEVELOPMENT PROGRAM.

CO-OPERATIVE EDUCATION AND TRAIN-
ING PLANNING GROUP MEETINGS, 1982
TIMETABLE.

TIME: 4.00PM - 5.00PM

PLACE: VOCATIONAL ORIENTATION
CENTRE
42 CARDIGAN STREET
CARLTON

DATES: JULY 31	SEPTEMBER 21
JULY 29	OCTOBER 19
AUGUST 10	NOVEMBER 16
AUGUST 24	DECEMBER 14



In the last Co-operative Review we published a phone number for the Multipurpose Community Employment Co-operative, which has now been changed. The new contact phone number is: (a.h.) 232 0905.

CONTRIBUTIONS WANTED

From this edition onwards, the Co-Operative Review will be published by the Co-Operative Education and Training Unit. We seek involvement from co-operatives and hope to publish your material or pursue areas you express interest in. Please do phone Karina, Tony or Wendy at the V.O.C. (347 7611 ext. 256) with ideas or material for future editions.



AND PROFILES SOUGHT

Each future edition of Co-operative Review will carry profiles of two co-operatives. Why they set up, how they set up, what line of business is pursued, general aims, thoughts, problems, successes. A profile of your co-operative in an early edition means that more people will know of your existence and may generate further business. So why not ring us and tell us your co-operative would like to be next?